## Fiscal Estimate - 2009 Session

X	Original		Updated		Corrected		Supple	mental				
LRB	Number	09-2488/1		Introd	luction Nu	mber	SB-312					
<b>Description</b> The electronic medical records tax credit												
Fiscal Effect												
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	No Local Gov Indeterminate 1. Increase Permiss 2. Decrease	e Costs ive  Mandato	3. lncre ory Perm 4. Decre	ase Revenue iissive	Go' datory	pes of Loca vernment U Towns Counties School Districts		Cities				
Fund Sources Affected  Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS												
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DOR/	Michael Oakl	eaf (608) 261-5	173	Rebecca Bold	10/9/2009							

# Fiscal Estimate Narratives DOR 10/9/2009

LRB Number 09-2	2488/1	Introduction Number	SB-312	Estimate Type	Original					
Description										
The electronic medical records tax credit										

### **Assumptions Used in Arriving at Fiscal Estimate**

The current electronic medical records credit for health care providers is effective for taxable years beginning in 2012 and is equal to 50% of the amount that the health care provider paid in the taxable year for information technology hardware or software used to maintain medical records in electronic form. The maximum amount that may be claimed in a taxable year by all claimants is \$10 million. Current law does not specify standards to be met by the medical records systems.

This bill expands the credit to also include 50% of the amount paid in the taxable year to another person to maintain the claimant's medical records in electronic form. Under the bill, the Department of Commerce is required to allocate credits only for costs related to electronic medical records systems that are certified or are being upgraded to become certified as specified under federal Public Law 111-5 (the American Recovery and Reinvestment Act of 2009). The law establishes standards to be met for certification to facilitate interoperability of systems and exchange of information across healthcare providers. When allocating credits, the Department of Commerce shall grant priority to claimants that provide health care to underserved or low-income populations and to claimants that have the greatest need for financial assistance with the costs of implementing an electronic medical records system. The bill also directs the Department of Commerce to promulgate rules to establish penalties for security breeches.

#### Fiscal Effect:

The annual limit on the credit remains at \$10 million, the same as under current law. Therefore the bill would not affect state revenues and as such has no fiscal effect.

#### **Long-Range Fiscal Implications**